

Message Text

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44

ORIGIN XMB-04

INFO OCT-01 AF-06 ISO-00 SSO-00 INRE-00 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 L-03 /054 R

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APPROVED BY: EB/OCA/CM:EMCKEON

XMB: EBYOUNG

XMB: WWGLICK

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O 251712Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY LUSAKA IMMEDIATE

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E.O. 11652: N/A

TAGS: EFIN, ZA

SUBJECT: EXIMBANK LENDING POLICY

REF: (A) LUSAKA 1212 (B) LUSAKA 1362 (C) LUSAKA 1366 (D) STATE
2953

1. COMMENTS REF D STILL APPLICABLE. EXIM SUGGESTS EMBASSY
PURSUE POSSIBILITY GRZ SERVE AS OBLIGOR AND ONLEND FUNDS TO
MINING COMPANIES IF GRZ CONTINUES TO RESIST GUARANTEE.

2. AS PREVIOUSLY EXPLAINED EXIM POSITION ON NEED FOR GRZ
GKARANTEE UNRELATED TO SPECIFICS ZAMBIAN FINANCIAL SITUATION,
NATIONALITY OF MANAGEMENT, OR UNCERTAINTY RE GRZ FOREIGN
INVESTMENT POLICY. EXIM REQUIRES GOVERNMENT GUARANTEE IN ALL
CASES WHERE GOVERNMENT VIEWED AS HAVING "EFFECTIVE CONTROL"
BY VIRTUE OF PHYSICAL LOCATION AS WELL AS SIGNIFICANT GOVERNMENT
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OWNERSHIP SHARE WHICH GIVE GOVERNMENT POTENTIAL FOR EXERTING

INFLUENCE ON FUTURE OPERATIONS, PROFITABILITY, ETC. PLEASE
EXPLAIN THAT SUCH "EFFECTIVE CONTROL" COULD APPLY EVEN IF
GOVERNMENT OWNERSHIP SUBSTANTIALLY LESS THAN 51 PERCENT.
PLEASE EMPHASIZE TO GRZ THAT POLICY IS APPLIED UNIFORMALY WORLD
WIDE TO EXPLOITIVE ENTERPRISES SUCH AS THESE TWO MINING PROJECTS.

3. REF C PARA 8 EXIM REGRETS CHAIRMAN'S SCHEDULE PREVENTED ATTENDANC
E
NEW CENTRAL BANK OPENING. FAILURE TO ATTEND DID NOT REFLECT
ANY LACK OF CONFIDENCE IN ZAMBIA.

4. EXIM REGRETS IMPLICATIONS SOKO STATEMENT. BANK HAS BEEN
VERY FORTHCOMING TOWARD ZAMBIA IN RECENT MONTHS, HAVING APPROVED
FOUR SEPARATE TRANSACTIONS IN 1975. KISSINGER

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Message Attributes

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Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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